GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5636
ANSWERED ON:29.04.2010
DISTRIBUTION OF FERTILIZERS
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the present system for the distribution of fertilizers to various States in the country;

(b) whether the private sector is participating in this regard; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (c): Before the commencement of every crop season, the Department of Agriculture and Cooperation (DAC) finalizes month-wise requirement of fertilizers for the entire crop season during the Zonal Conferences attended by officers of State Agriculture Department and officers from Department of Fertilizer(DOF). The month-wise requirement of fertilizers so assessed by DAC is communicated to DOF. DOF conducts a meeting with the producers and importers of fertilizers and obtains month-wise production and import targets for the entire crop season.

Urea is the only fertilizer which is under partial movement distribution control of the Government of India. All other fertilizers like DAP,MOP and NPK etc. are de-controlled since August, 1992. Availability of fertilizers is monitored by Department of Fertilizers at state level. The distribution of fertilizer within the states rests with the state Government.

In order to ensure availability of fertilizer vis-Ã -vis requirement through out the country, Department of Fertilizer has taken various policy initiatives, some of which are:

(i) Each state in consultation with the fertilizer suppliers is required to prepare a monthly supply plan district wise within overall availability at state level for ensuring availability of fertilizers in all parts of the state. The monthly supply plan includes both indigenous production (Public sector, private sector and Co-operative sector) and imports of fertilizer plan as filed by the suppliers;

(ii) The supply of fertilizers by manufacturers/suppliers is being monitored through a web-based Fertilizer Monitoring System which is able to track production, imports, dispatch, arrival and sales up to the district level;

(iii) The state governments have been advised (i) that the State Institutional agencies will coordinate with manufacturers and importers of fertilizers for streamlining the supplies (ii) to review the railway rake points in their states and take up the issues with the Railways for improvements, if any, required to ensure availability of fertilizers in every nook and corner of the State.

(iv) The Government has introduced a Nutrient Based Subsidy Policy in respect of Phosphatic & Potassic fertilizers w.e.f. 1.4.2010, which has replaced the outgoing Concession Scheme for P & K fertilizers. Under the NBS, State Governments have to play more proactive role to co-ordinate with the manufacturers/importers to tie up supplies of fertilizers as per the requirement of states.

(v) Under the NBS, 20% of the decontrolled fertilizers produced/imported in India will now be in the movement control under the Essential Commodities Act 1955(ECA). Department of Fertilizers will regulate the movement of these fertilizers to bridge the supplies in under-served areas. The State governments should accordingly put in place administrative and monitoring mechanism to take advantage of the same. The supply plan would continue to be monitored as at present.

(vi) Manufacturers of customized fertilizers and mixture fertilizers are now eligible to source subsidized fertilizers from the manufacturers/importers after their receipt in the districts as inputs for manufacturing customized fertilizers and mixture fertilizer for agricultural purpose under NBS. There would be no separate subsidy on sale of customized fertilizers and mixture fertilizers. To encourage soil and crop based usage of such fertilizers, the State governments need to facilitate the same